

United States Senate

COMMITTEE ON THE JUDICIARY

WASHINGTON, DC 20510-6275

April 25, 2006

The Honorable George W. Bush
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President,

We are writing to enlist your support in enacting strong antitrust measures to allow the Department of Justice to crack down on illegal price manipulation by oil cartels. Those tough provisions would immediately serve to deter the illegal actions of members of the Organization of the Petroleum Exporting Countries, (OPEC), and provide quick relief to millions of American families.

If OPEC nations continued their price gouging and manipulation of supplies after passage of the law (S. 2557) they would be subject to immediate and severe legal action by the Justice Department. America needs immediate solutions to this oil crisis before the prices at the pump reach \$4 or \$5 per gallon.

We were proud to recently introduce with Judiciary Committee Chairman Specter and the Antitrust Subcommittee Chair Senator DeWine, along with Senators Feinstein and Durbin, this bill called the "Oil and Gas Industry Antitrust Act of 2006," which includes provisions that could quickly work to reduce high gas and oil prices. We believe that this bill will be on the Judiciary Committee's agenda for action later this week.

Those provisions – called "The No Oil Producing And Exporting Cartels Act" (NOPEC) – would make OPEC accountable for its anti-competitive behavior and allow the Justice Department to take decisive action against the foreign oil cartels for the withholding of supplies, price gouging or other anticompetitive activities.

It will allow the federal government to take legal action against any foreign state, including members of OPEC, for price fixing and other anti-competitive activities. The tools this bill would provide to law enforcement agencies are necessary to rapidly counter OPEC's anti-competitive practices, and these tools would help reduce gasoline prices now.

We strongly believe that passage of this bill would immediately deter many of these illegal actions that otherwise would keep increasing our gas and oil prices.

Mr. President, your support will help pass this measure. OPEC has America over a barrel, and we should fight back. If OPEC were simply a foreign business engaged in this type of behavior, it would already be subject to American antitrust law. It is wrong to let OPEC producers off the hook just because their anti-competitive practices come with the seal of approval of this cartel's member nations. The Senate has already passed NOPEC once. In fact, the Judiciary Committee has approved the NOPEC bill three times.

In addition, the day you sign this bill it would be unlawful to divert petroleum or natural gas products from their local market to a distant market with the primary intention of increasing prices or creating a shortage in a market. This would solve a serious problem where oil or gas products are being shipped for sale in one market but are later diverted and sold for less in another market to artificially reduce supplies and force up prices.

We have an obligation to address these and other issues caused by oil cartels and by profit-driven companies who have money to burn. Authorizing tough legal action against illegal oil price fixing, and taking that action without delay, is something we should do without additional obstruction or delay.

We urge you, Mr. President, to help us in getting this bill important bill through Congress in the next couple weeks.

Sincerely,



PATRICK LEAHY
Ranking Member



HERB KOHL
Ranking Member
Antitrust, Competition Policy and
Consumer Rights Subcommittee